# LIKE BUSH BUDGET, HOUSE GOP BUDGET:  FISCALLY RECKLESS, MORALLY IRRESPONSIBLE, FAILURE OF LEADERSHIP

Today, the House will begin consideration of H.Con.Res. 95, the House GOP budget resolution for FY 2006. Democrats believe that on every issue our nation faces, it is our responsibility to ensure that the policies we pursue are consistent with the values we cherish.  Like the President's budget, the House GOP budget resolution for FY 2006 fails in every respect.  It is <u>fiscally reckless</u>, resulting in $2 trillion in deficits over the next 5 years when omitted costs are included.  It is <u>morally irresponsible</u>, slashing funding for veterans benefits, education and CDBG and launching a "war on the poor" with deep cuts in Medicaid and the Earned Income Tax Credit. And the GOP failure to include details of the Administration's Social Security privatization proposal and realistic costs for the war in Iraq is <u>a clear failure of leadership</u>.  Democrats are fighting to restore fiscal responsibility and hold those in power responsible for their actions.  We are committed to upholding the key values that are the foundation of a strong and secure middle class: national security, prosperity, community, fairness, accountability and opportunity.  **<u>All Democratic Members are urged to vote NO on the GOP budget resolution.</u>**  Following are talking points.

**Republican budget is fiscally reckless and does <u>not</u> cut the deficit in half by 2009.**  Like the President's budget, the House Republican budget is fiscally reckless and creates deficits for as far as the eye can see, <u>never</u> reaching balance.  Like the President, House Republicans claim to cut the deficit in half by 2009 – bringing the deficit down to $229 billion.  However, like the President, Republicans can only make that claim by omitting enormous costs from their budget.  For example, Republicans omit the $200 billion five-year cost of fixing the Alternative Minimum Tax (including instead only $31 billion for a one-year fix); omit realistic five-year costs for the Iraqi war (assuming only a meager $50 billion for 2006); and omit any costs for the President's Social Security privatization plan.  Instead of $229 billion, the deficit under the GOP budget is likely to be more than $400 billion in 2009.

**Republican budget is morally irresponsible by passing on growing debt to our children and grandchildren.**  Due to the Bush Administration's fiscally reckless policies, Republicans have already had to raise the debt ceiling of the United States by $2.2 trillion over the last four years. Now, when omitted budget items are included, the result of this GOP budget would be to add an <u>additional</u> $2 trillion to the debt in the next five years.  It is a question of moral values that our generation should not pass a skyrocketing national debt on to our children and grandchildren.

**Republican budget is also morally irresponsible by slashing funding for critical domestic initiatives.** Like the President's budget, the GOP budget calls for the cutting of critical programs, including Medicaid, veterans' health care, community development, education, and environmental protection. And it undermines programs that are critical to rural communities and small businesses, generally following the outlines of the President's budget.

**Republican budget demonstrates a failure to lead on Social Security.**  The House Republican leadership has called the President's proposal to privatize Social Security their top legislative priority for the year. And yet, like the President's budget, their budget <u>fails</u> to include the details of the plan or the $754 billion 10-year cost.  Furthermore, the Republican private account proposal does not actually improve Social Security solvency; instead, it makes the solvency problem <u>worse</u>.

**Republican budget also spends every penny of Social Security surplus.**  The GOP budget fails to protect and strengthen Social Security.  Instead, this GOP budget spends every penny of the $1.1 trillion Social Security Trust Fund surplus over the next five years to help finance its deficits and pay for its tax cuts and other policies.  It also contains no budget enforcement mechanisms to protect the Social Security surplus.

**GOP budget includes even deeper cuts in Medicaid than the President's budget.** The GOP budget resolution directs the Energy and Commerce Committee to cut spending within its jurisdiction by $20 billion over five years. Since Medicare is "off the table," the bulk or all of this $20 billion cut will fall on Medicaid. This $20 billion cut far exceeds the $7.6 billion net Medicaid cut in the Bush budget. This cut of up to $20 billion would have a devastating impact on the almost 60 million children, elderly and people with disabilities who rely on the program. The end result of the proposed cuts will be a shift in costs to states and beneficiaries, payment cuts for providers, which will undermine their ability to provide care, and an increase in the number of the uninsured.

**GOP budget underfunds veterans' health care.** The Republican budget provides $297 million more for veterans' health care in 2006 than the President's budget – but remains more than $2 billion short of what is needed. In addition, over the next five years, the Republican budget cuts veterans' health care by $14 billion below the amount needed to maintain these programs at their current levels. The GOP budget also requires the Veterans' Affairs Committee to make a cut of $798 million over the next five years – which will require either new fees for veterans' health care or cuts in veterans' benefits.

**GOP budget underfunds education.** Like the President's budget, the GOP budget cuts education programs by $2.5 billion in 2006 and $38 billion over the next five years below the amount needed to maintain these programs at their current levels. The GOP budget matches the funding level in the President's budget, which eliminates 48 education programs, including the $1.3 billion vocational education program, the $522 million education technology program, the $437 million Safe and Drug-Free Schools, the $306 million GEAR-UP program, and the $225 million Even Start family literacy program. The GOP budget also requires the Education and the Workforce Committee to cut $21 billion over five years from programs in its jurisdiction, a cut that would fall on student loans and school lunches.

**GOP budget cuts community and regional development.** The Republican budget slashes community and regional development by $1.5 billion in 2006 and $8 billion over the next five years below the amount needed to maintain these programs at their current levels. While the 2006 funding is $1.1 billion more than the President's budget provides, at this funding level the Community Development Block Grant (CDBG) could be eliminated, as the President's budget proposes.

**GOP budget cuts environmental protection.** Like the President's budget, the GOP budget severely underfunds environmental protection and conservation programs. The GOP budget cuts environmental programs by $2.9 billion in 2006 and $23 billion over the next five years below the amount needed to maintain these programs at their current levels. In addition, in 1995, 82 percent of Superfund funding came from the Superfund Trust Fund. But under the Republican budget, 100 percent of Superfund funding now comes from taxpayers' pockets.

**GOP budget underfunds discretionary health care programs.** In addition to slashing Medicaid, the GOP budget also underfunds critical discretionary health care programs, such as NIH, the Maternal and Child Health Block Grant, and HIV/AIDS programs. The GOP budget matches the funding level in the President's budget, which cuts discretionary health care programs by $2 billion in 2006 and $22 billion over the next five years below the current services level. By providing the President's recommended funding level, the budget appears to be assuming the President's cuts, including slashing rural health activities, slashing health professions training, and eliminating the Preventive Health Block Grant.

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